



The project manager and the organisation's long-term competence goal

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Abstract

This paper presents empirical results from a study that aims to increase our understanding of the project manager's involvement in competence management in larger Swedish project-oriented organisations. Projects are today the predominant way of performing work. Organisations are also paying more attention to competence as competitive advantage. However, the logical interrelated connection between these two fields is still not understood.

This study adopted a post-positivistic perspective starting with a qualitative step with in-depth interviews followed by a quantitative web survey.

The major contributions are the framework that constitutes human resource management (HRM) competence management practices related to projects followed by the importance of project managers' involvement in the company's long-term goal in terms of competence.

For researchers, these findings contribute to integrating project management into the HRM field. For practitioners, there is a need to review the project manager's participation in competence management.

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1. Introduction

Companies are carrying out an increasing number of activities using projects as the organisational form. They are also establishing more complex matrix organisations with different areas of responsibility for different organisational entities, at least in organisations of a considerable size. Projects as such constitute temporary organisations connected to a parent organisation (Engwall, 2001; Söderlund and Bredin, 2006; Turner and Müller, 2003).

Furthermore, in companies that reinvest a significant part of their turnover in the development of services, processes, products, etc., the competence of the employees is one of the most valuable

assets. In line with the resource-based view of the firm, the organisation's ability to manage and develop competence is one of the success factors for the company and for its competitive advantage (Ulrich, 1991; Wright et al., 1994). This kind of company uses projects as an organisational form to develop products, services, processes and marketing activities (Bredin and Söderlund, 2006; Turner et al., 2008).

What differentiates project-oriented organisations from other kinds of organisations?

Whitley's (2006, p. 78) answer to this question is: "in such project-based organisations (PBOs), the knowledge, capabilities, and resources of the firm are built up through the execution of major projects. These kinds of organisations differ from other ways of organising highly skilled workers dealing with complex problems in their concern to create novel outputs by integrating varied forms of expertise in fixed time periods".

If the situation is that companies are increasingly carrying out work in projects, how do they secure long-term competence

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development? How then can they align project management and strategic competence management to reach competitive advantage?

Söderlund and Bredin (2006) enforced the idea that project operations need adaptive and efficient human resource management (HRM). The coexistence of the temporary organisation with the parent organisation creates problems in terms of HRM practices. One of those problems is the utilisation of people based on their current competence without taking into consideration the new skill sets that the assignment might give them (Goodman and Goodman, 1976). Laakso-Manninen and Viitala (2007) point out core competencies as the link between competence management and competence based HRM and that a company's competitive advantage resides in its core competencies.

Furthermore, the project manager's responsibilities are limited to the time frame of the project and do not include competence management in the long term (Turner, 1999).

The project manager plays a role in HRM practices in project-oriented organisations but the role is not clear (Keegan et al., 2012).

We carried out a study in Sweden to increase the understanding of the project manager's role in competence management connected to the parent organisation and the consequences of the current degree of involvement.

This gave the following research questions:

- *What is the project manager's degree of involvement in competence management in Swedish project-oriented organisations?*
- *How does the current degree of involvement affect the company's competence goal?*

The unit of analysis is the project managers' involvement in competence management.

This paper summarises the work of a study starting with a qualitative step with in-depth interviews followed by a quantitative study in Swedish project-oriented organisations using a web-based questionnaire.

The next section of the paper reviews the previous research literature considering strategic competence management from different perspectives, both from a traditional HRM perspective and from the perspective of project-oriented organisations.

2. Literature review and hypotheses

The literature review is divided into four parts: the first part reflects on the literature about competence, the second part reviews the literature within the HRM practices area followed by the connection between competence and HRM practices and the final section concerns how HRM competence management is handled in project-oriented organisations.

Surprisingly, when examining the previous research in the area, there is no uniform definition of competence. Competence is also often mixed with competency (Vazirani, 2010). Delamare Le Deist and Winterton (2005) stated that it is impossible to identify or find a coherent theory or definition capable of

reconciling all the different ways in which the term competence is used.

In line with Crawford (2007), we use the following definition of competence: the knowledge and skills achieved and the ability to apply them.

At the organisational level, companies often refer to their core competencies. Hamel and Prahalad (1994) defined the term as "capabilities that are critical to a business achieving competitive advantage".

In addition, core competencies link both to the company's past and to its future, but it is easier to evaluate and describe already existing and operational competencies than not yet existing but needed ones (Laakso-Manninen and Viitala, 2007).

To outperform the competition in the long run and achieve sustained competitive advantage in the market, the organisation needs to define its core competencies (Clardy, 2008; Laakso-Manninen and Viitala, 2007). This connects core competences to human resources as a source of sustained competitive advantage, which is crucial for the company's success.

Berio and Harzallah (2005) viewed competence management as a way for the organisation to manage the competencies on the corporation, group and individual levels. The primary goal of competence management is to define, and continuously maintain, the competencies according to the goals of the organisation. Laakso-Manninen and Viitala (2007) further developed this when they emphasised that competence management covers all the appropriate activities that foster, develop, regenerate and produce the kinds of competencies required by the company's strategy.

Another aspect is that individual learning does not necessarily lead to organisational learning, but it is hardly possible to have organisational learning without individual learning (Love et al., 2005). This leads us to the importance of connecting competence management on the strategic level to how competence is handled on an individual level.

Berio and Harzallah (2005) developed a four-step competence management model that comprises competence identification, competence assessment, competence acquisition and competence usage. In their model, they linked individual competence with the objectives the company aims to achieve. They also brought in aspects such as the method of assessment and utilisation of the competence. The work of Bartram (2012) developed this and highlighted different aspects of competence planning, connecting them to the competence goal. These aspects are presented in Table 2-1.

Competence management at the strategic level is undertaken by mapping core competencies with the current competencies in the organisation, bridging the gap between them and using the competencies in accordance with the company's objectives (Bartram, 2012; Berio and Harzallah, 2005).

In addition to this, Huemann et al. (2004) highlighted in their study on project-oriented companies a change in these companies through a competence approach. They introduced career development into a project context and as part of competence management. This is in line with Ruderman and Ohlott's (1994) work and the empirical evidence that they found about career promotions being part of competence development and even a

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